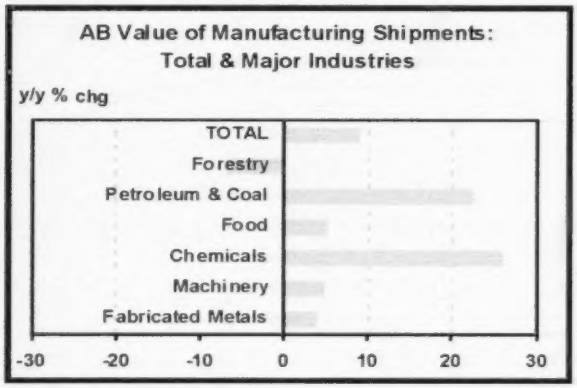
Manufacturing shipments

Manufacturing shipments holding up…

In August, manufacturing shipments in Alberta fell 4.7% from July but are up 9.1% from the same month in 2007. Among the industries that registered year-over-year increases are petroleum and coal (+22.3%) and chemicals (+25.8%). On the other hand, the forestry sector (-6.8%) continues to be hammered by the U.S. housing downturn. In the first three quarters of 2008, Alberta shipments grew by 8.3% compared to a decline of 0.1% nationally.



Non-residential Construction Investment

NRC investment continues to moderate…

In the third quarter of 2008, investment in Alberta's non-residential building construction (NRC) rose 1.7% from the second quarter. Year-to-date, nominal investment has increased by 15.6% from the same period in 2007, largely reflecting higher construction costs. In real terms (inflation-adjusted) investment was up 2.6%, a significant moderation from the 17.2% and 22.5% increases recorded in 2007 and 2006, respectively. Higher commercial building investment (+8.7%) fuelled the increase.

New Motor Vehicle Sales

New auto sales still on downward trend…

The volume of new motor vehicle sales in Alberta fell for the second straight month in August, declining 3.3% from July. In the first eight months of 2008, sales were down 6.0% compared to the same period last year. On a national basis, new auto sales have increased by 1.4% year-to-date.

Cdn Dollar (US¢/CS)	
October 17, 2008	84.6
October 10, 2008	84.0
2008-09 YTD	96.8
WTI Oil US$/bbl	
October 16, 2008	$ 69.85
October 9, 2008	$ 86.59
2008-09 YTD	$ 117.94
Nymex Natural Gas CS/MMBtu *	
November Contract	
October 17, 2008	$ 8.14
October 10, 2008	$ 7.63

*Estimate based on Nymex Futures Market Price

Credit Market Developments

G7 countries step up efforts to stave off global financial crisis…

In another move to restore financial stability, U.S. authorities announced on Tuesday that they would inject US$250 billion of the US$700 billion rescue plan into nine U.S. banks. The government will also temporarily guarantee bank debt and offer unlimited insurance for non-interest bearing deposit accounts. The Bank of Canada also implemented measures to boost liquidity including a $6 billion increase in its term financing facility.

Credit conditions appear to be improving as interbank lending rates continue to ease.

Oil prices bounce back, loonie stabilize…

After plunging to a fourteen-month low of US$69.85 per barrel yesterday, oil prices bounced back to around US$73 this morning on speculations that OPEC will cut production at next week's emergency meeting. The Canadian dollar also remained at 84 US cents as investors continue their flight to the U.S. dollar for safety.